R4105-3

STATISTICAL BULLETIN

STATISTICAL REFERENCE INDEX
ACQUISITIONS
7101 WISCONSIN AVE., SUITE 900
WASHINGTON, D. C. 20014

Volume 13, No. 10, October, 1980

— CONTENTS —

Comment	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Capital Appropriations	6
Key Determinants of Profit Margins	7
Economic Forecasts	8-9
Selected International Comparisons	10-11
Perspective on The Federal Budget	12
Fiscal Thrust	12
Money Supply and Monetary Policy	13
Help-wanted Advertising Indexes	14
Consumer Confidence and Buying Plans	15
Discretionary Spending	15
Automobile Sales	16

THE CONFERENCE BOARD

comment Energy price hikes back in 1973 added fuel to already hot inflationary fires. Monetary policy, ever faced with the dilemma of being restrictive enough to limit inflation yet expansive enough to maintain economic growth, was forced to turn more restrictive. The ensuing recession resulted in part from those developments—in contrast to previous cyclical declines which sprang more from imbalanced supply/demand conditions. The 1980 experience has been a not-quite-instant replay of the 1974 performance. In both instances, as activity slowed so did inflation. In 1975, as activity picked up, inflation began again to accelerate. By mid-1978, as indicated on the *Key Determinants of Profit Margins* chart, price increases were sufficiently high to reduce purchasing power despite wage increases running at about a 10% annual rate. That weakening in consumer demand has been a large part of the story of the 1980 recession. The crucial point is that as activity begins to quicken in the near term, inflation can be expected to accelerate and economic policy may be forced into a still greater emphasis on containing it—and policy options adopted to contain inflation run the risk of stalling out the recovery as early as summer of 1981.

More immediately, the recession is over but the recovery period has hardly begun. Although the 1980 recession was marked by a very short, steep decline, it clearly does not have the "V" shape typical of postwar cycles. Activity through most of 1979 was not consistently slow enough to earn the title of recession but on the other hand was far from buoyant. The year is best described as a transition period from expansion to recession. Now that the recession is over, it seems that economic activity is once again in a period of transition—being neither still in recession nor as yet in a convincing expansion.

Part of the reason why the economy came out of recession is that consumer market activity came out of the doldrums. Retail sales, adjusted for inflation, have been continually improving, however modestly, since last June. That has also been the trend in sales of cyclically-sensitive durable goods—most particularly, the very hard-hit auto market. New domestic *Automobile Sales* bottomed out at a seasonally adjusted average of 5.13 million (annual rate) in May. By September, the selling rate had improved to an average of 6.68 million.

Consumer market activity has improved because consumer attitudes have brightened. The Conference Board's *Consumer Confidence Index* stood at 75.8 (1959-1979 = 100) in September compared with a level of only 42.1 recorded last May. Despite the improvement, the September level was relatively low, but the improvement is probably more important than the index level.

The pickup in sales, though modest, has spurred some increase in production. After declining for six consecutive months, industrial production actually rose in August and September. And the rate of industrial capacity use was higher in August than in July, marking the first increase in almost a year.

The composite index of *Leading Economic Indicators* turned up in June and has continued to rise since. This points to some recovery of strength in economic activity, and implies that the recession is past. The general view expressed in the *Economic Forecasts* is that output is rising in the fourth quarter of 1980. The median of the forecasts for real output is that it declined 0.7% (seasonally adjusted at an annual rate) in the third quarter, and will edge up 0.9% in the fourth. Hence the view that the recovery is only slowly getting underway and that the fourth quarter will mark a transition period with a pace of activity that is more stagnant than either expansionary or recessionary.

The lack of any significant pickup in output in the fourth quarter implies that the national unemployment rate will rise even though the recession is over. The Conference Board's *Help-wanted Index,* a measure of labor demand, has trended upward over the last few months, and that is consistent with the rise in industrial production. However, the increase in the size of the working-age population dictates that the economy must

Ken Goldstein, Editor
Prepared in The Business Conditions Analysis Department—Lora S. Collins, Director

STATISTICAL BULLETIN (ISSN 0010-5554), published monthly by The Conference Board Inc. 845 Third Avenue, New York, N.Y. 10022. Printed in New York, N.Y. Second-class postage paid at New York, N.Y.

THE CONFERENCE BOARD IN CANADA
25 McArthur Road
Ottawa, Ontario, K1L-6R3, Canada

© 1980 THE CONFERENCE BOARD, INC.
845 Third Avenue
New York, New York 10022

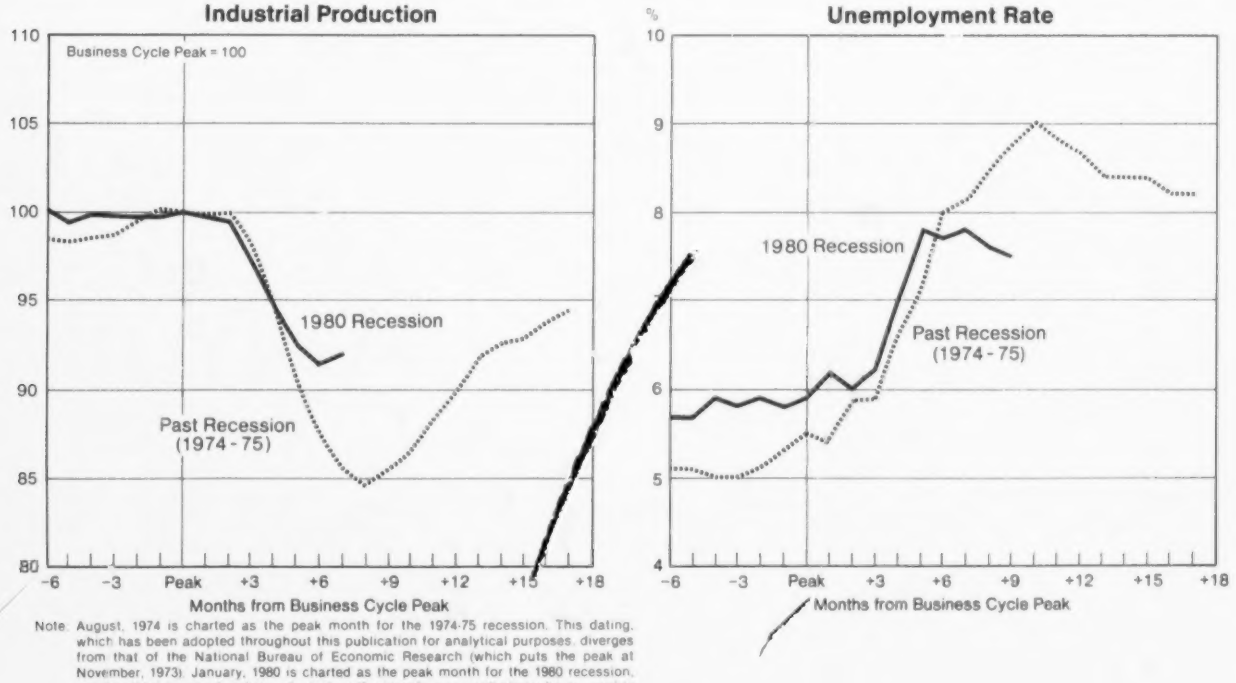
THE CONFERENCE BOARD IN EUROPE
Avenue Louise, 326-Bte 48
B-1050 Brussels, Belgium

expand just to keep the employed portion of the population from declining. Therefore, despite the rise in production and its resultant rise in labor demand, the *Economic Forecasts* indicate that the unemployment rate is likely to move from an average of 7.5% in the third quarter to 7.8% in the fourth quarter.

The economic outlook for the first two quarters of 1981 is only marginally brighter than that for the last few months of 1980. Activity is still expected to be more sluggish than expansionary, and that implies some further modest rise in unemployment. The median forecast is for real output to increase by a 2.4% annual rate in the first quarter of 1981 and by 3% in the second quarter. The unemployment rate is anticipated to climb to 8.2% in the first quarter. In the second quarter, it is expected to average 8.1% and to improve from then on.

The inflation outlook is at best guarded, at worst ominous. The slowdown in activity eased credit demand, both for commercial and industrial and for consumer loans. That translated into slow growth of the monetary aggregates as well as declines in interest rates. In August, however, both consumer installment loan and industrial and commerical loan demand picked up somewhat. And as the *Money Supply and Monetary Targets* chart shows, the money aggregates began expanding at a quite rapid pace. In the past, higher money supply growth would have meant an increase in loanable funds which would have exerted at least temporary downward pressure on interest rates. Starting in August, however, interest rates began rising—no doubt due to renewed concern over inflation and the market's belief that faster money growth means more inflation. The Federal Funds rate—the rate at which banks borrow from other banks—had declined to as low as 8.68% in late July, and was still at only 8.85% in mid-August. By the end of August, it had jumped to 10.47%, and by the end of September it had climbed to 12.38 percent. All of this implies substantial concern over the possibility of renewed inflationary fires breaking out—concerns on the part of lenders, borrowers and policy formulators. The *Economic Forecasts* do not provide much in the way of comfort. Inflation, as measured by the implicit price deflator for GNP, is not expected to drop below about 8½% in 1981. At the end of the last recession, inflation subsided to about a 5% rate before embarking on its most recent acceleration. So we are starting from a much higher point. Any forecast for 1981 must allow for the possibility that attempts to limit an acceleration of inflation will run the risk of aborting the recovery.

Ken Goldstein



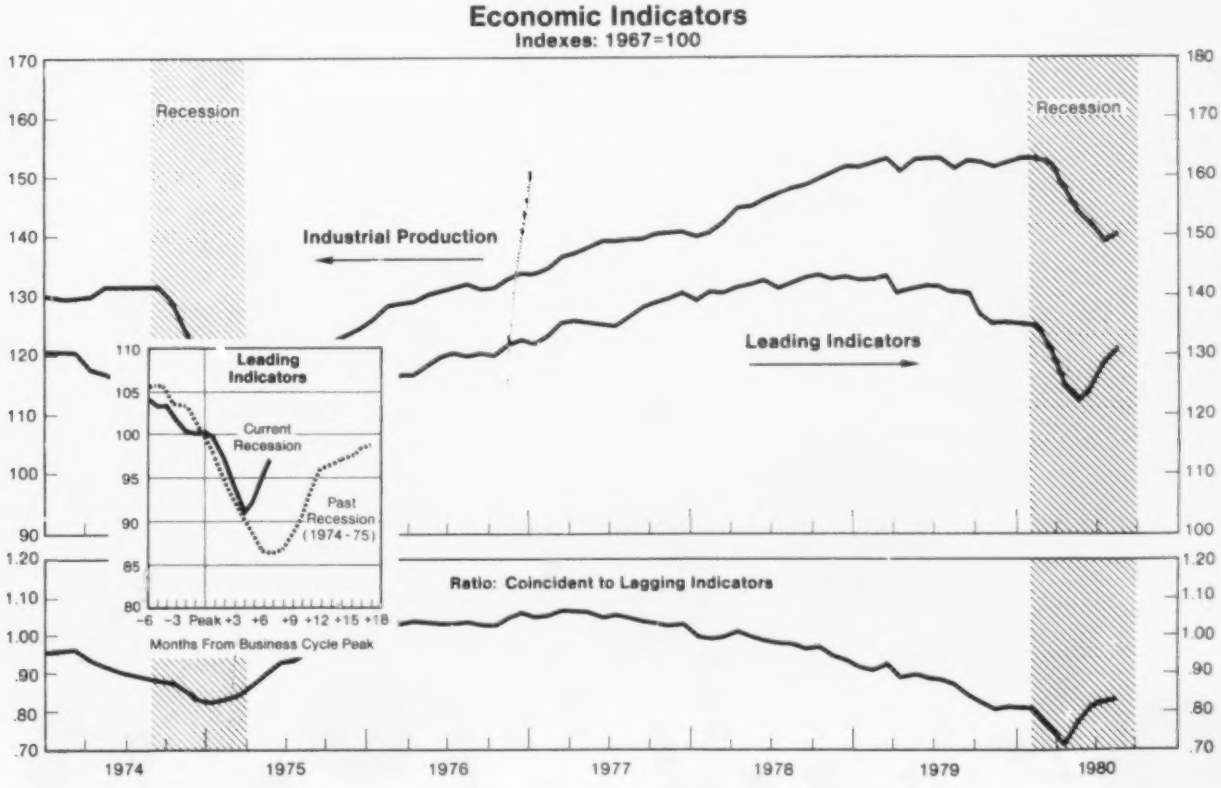
Note: August, 1974 is charted as the peak month for the 1974-75 recession. This dating, which has been adopted throughout this publication for analytical purposes, diverges from that of the National Bureau of Economic Research (which puts the peak at November, 1973). January, 1980 is charted as the peak month for the 1980 recession, and the third quarter has been charted as the trough, on a preliminary basis—and is subject to change.

STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over latest three months	Change From Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	Aug.	X			+ 6.7%	— 6.5%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Aug.	X			+17.4%	+ 1.0%
New orders, nondefense capital goods (deflated)	Aug.		X		+ 6.1%	— 4.6%
*Net business formation	June			X	— 4.3%	—12.5%
*Housing permits	Aug.	X			+65.0%	—17.7%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Aug.		X		+ 8.1%	—11.5%
*Change in inventory, on hand & order (deflated)	July			X	— 7.1%	—29.6%
Purchasing agents' buying policy	Sept.		X		+ 8 %	— 6 %
*Vendor performance, reported slower deliveries	Aug.		X		+ 6.3%	—38.2%
Industrial raw materials prices	Sept.	X			+11.3%	+ 0.2%
*Change in sensitive prices	Aug.		X		+ 1.2%	— 1.1%
Sensitive Financial Flows						
*Money balance (M2, deflated)	Aug.	X			+ 2.5%	— 3.1%
Change in business loans	Sept.	X			+19.2%	—23.5%
*Change in liquid assets	Aug.		X		+ 0.1%	— 0.2%
Change in consumer installment debt	July		X		+16.5%	—36.6%
Profitability						
Total corporate profits, after tax (deflated)	2nd Q			X	—21.3%	—16.5%
*Common stock prices	Sept.	X			+11.2%	+17.3%
Marginal Employment Adjustments						
*Average workweek, mfg.	Sept.	X			+ 0.4hr	— 0.7hr
Initial unemployment claims (inverted)	Aug.	X			+20.9%	—28.7%
*Layoff rate, mfg. (inverted)	Aug.		X		— 1.5%	+ 0.5%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Business Conditions Digest*, (Washington, D.C.: Government Printing Office) November, 1975, p. V.

*These twelve series make up the Composite Leading Index charted below.



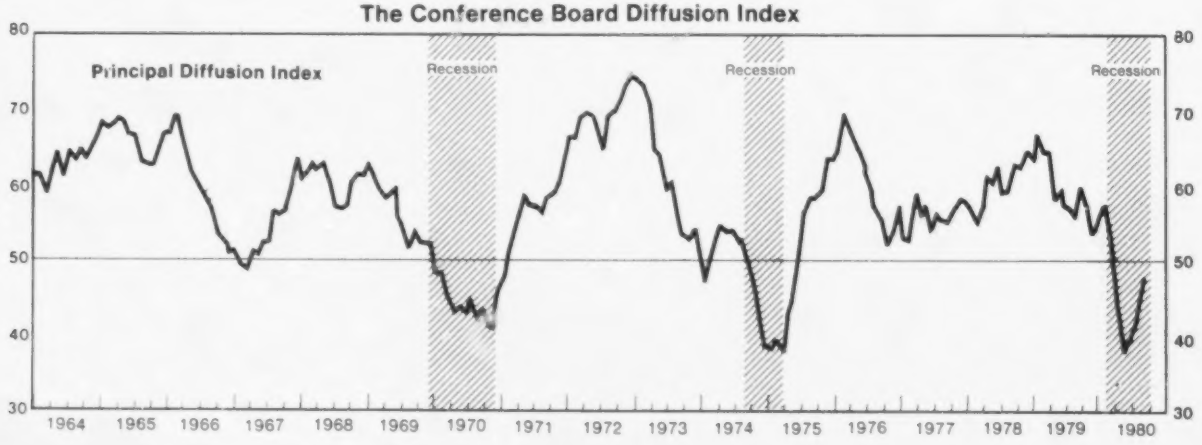
CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1979 Aug.	1980 May	June	July	Aug.(e)
Principal Diffusion Index	56.6r	38.3r	39.7r	42.7r	47.1
Auxiliary Diffusion Index	45.3r	33.9r	54.7r	59.6r	64.6
Industrial Group	49.5r	29.9r	31.9r	33.0r	37.4
Nonindustrial Group	63.7	46.7	47.6	52.3r	56.9
Sense of Diffusion	0	—1.0	—1.0	0	0
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	58.1r	33.1r	26.5r	21.2r	26.9
Labor	42.1	29.4	36.0	40.5	44.9
Miscellaneous	55.1	26.3	29.5	32.1	34.6
Nonindustrial Subgroups					
Prices	71.8	52.6	50.6	57.1	63.5
Consumer	73.9	59.0	59.4	64.5	69.2
Building	44.9	21.8	32.1	41.7r	46.8
Miscellaneous	60.7	47.0	44.0	44.0r	46.8

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would register 50. On the other hand, if all 20 series rose in each of the last six months after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

p—preliminary e—estimate r—revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1978 Feb.	May	Aug.	Nov.	1979 Feb.	May	Aug.	Nov.	1980 Feb.	May	Aug.
	Score (scale 0-100)										
Measure of Business Confidence	52	58	49	40	43	41	32	32	40	29	49
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	46	60	58	45	47	47	28	29	36	16	28
2. Expectations for Economy, Six Months Ahead	49	54	42	33	36	33	29	29	38	31	60
3. Expectations for Own Industry, Six Months Ahead	59	60	49	43	46	43	39	38	45	40	60

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question, and the overall Measure of Business Confidence, thus can range from 0 to 100.

CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

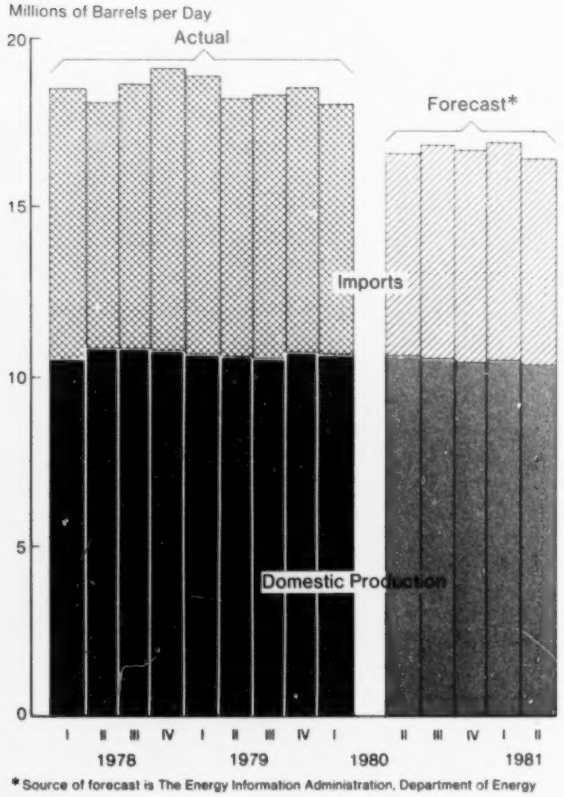
	1979			1980				1981			
						PROJECTIONS					
	IIr	IIIr	IVr	Ir	IIp	III	IV	I	II	III	IV
1000 LARGEST MANUFACTURING FIRMS											
New appropriations	21.201	22.688	23.279	29.503	25.761	16.1	15.0	17.7	18.2	17.2	17.2
Capital expenditures	17.566	18.707	19.647	21.296	21.426	19.3	20.1	20.1	19.7	18.9	18.1
Change in appropriations backlog*	+2.317	+3.496	+3.216	+7.424	+3.624	−5.0	−6.6	−3.8	−3.1	−3.3	−2.6
Durable Goods											
New appropriations	10.627	10.488	11.470	14.420	9.625	7.7	6.5	6.4	6.7	7.1	7.4
Capital expenditures	8.361	9.099	9.647	10.316	10.213	9.3	9.2	8.7	7.8	7.0	6.3
Change in appropriations backlog*	+1.995	+1.321	+1.838	+3.524	−0.863						
Nondurable Goods											
New appropriations	10.574	12.200	11.809	15.083	16.136	8.4	8.5	11.3	11.5	10.1	9.8
Capital expenditures	9.205	9.608	10.000	10.980	11.213	10.1	10.9	11.4	12.0	11.9	11.8
Change in appropriations backlog*	+0.322	+2.175	+1.378	+3.900	+4.487						
ELECTRIC & GAS UTILITIES											
New appropriations	6.854	10.980	8.916	15.158	27.003						
Capital expenditures	7.179	7.234	7.077	7.331	7.579						
Change in appropriations backlog*	−1.634	+3.221	−7.191	+5.132	+15.858						

Note: Historical data from 1953 (manufacturing) and from 1958 (utilities) are available on request. Projections are based on The Conference Board's capital appropriations forecasting model.

r—revised p—preliminary

* Change in Backlog = New Appropriations — (Expenditures + Cancellations + Other Adjustments).

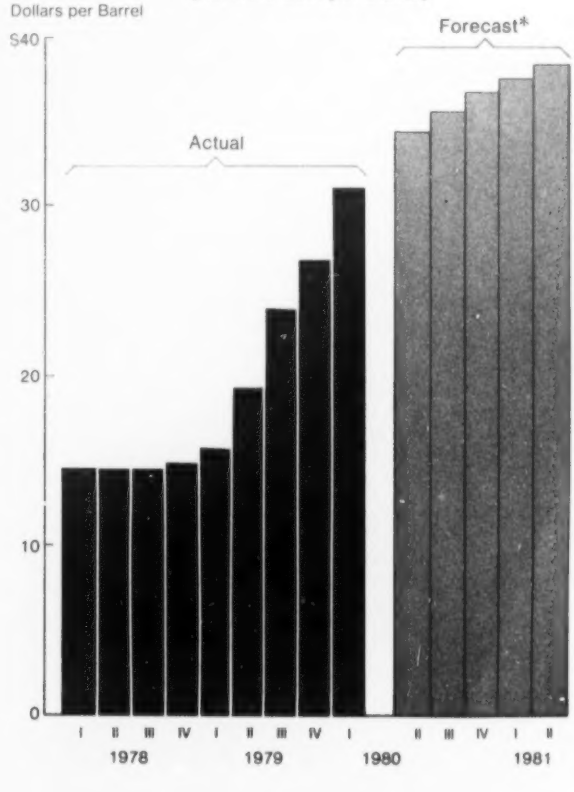
Oil Supply



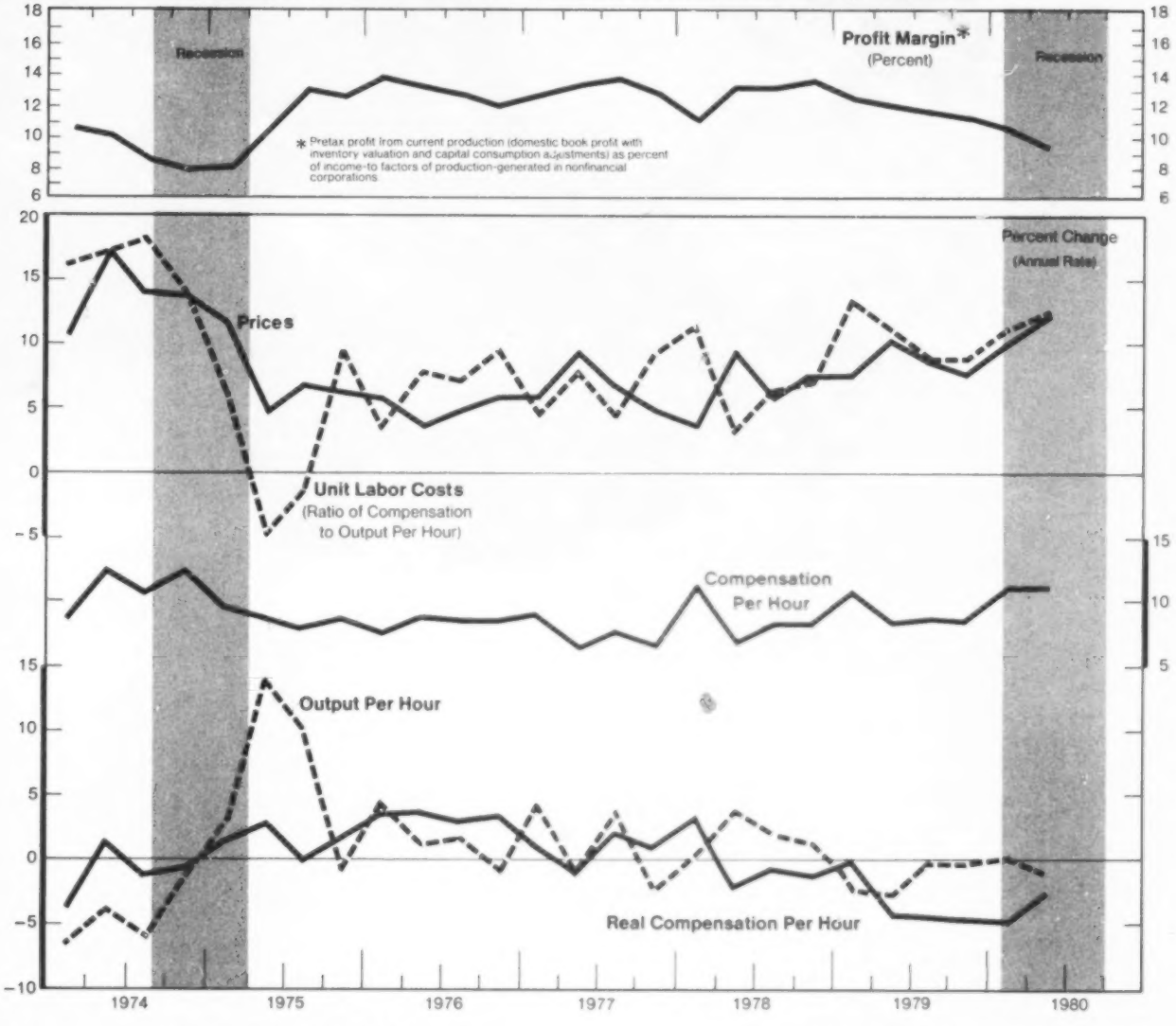
* Source of forecast is The Energy Information Administration, Department of Energy

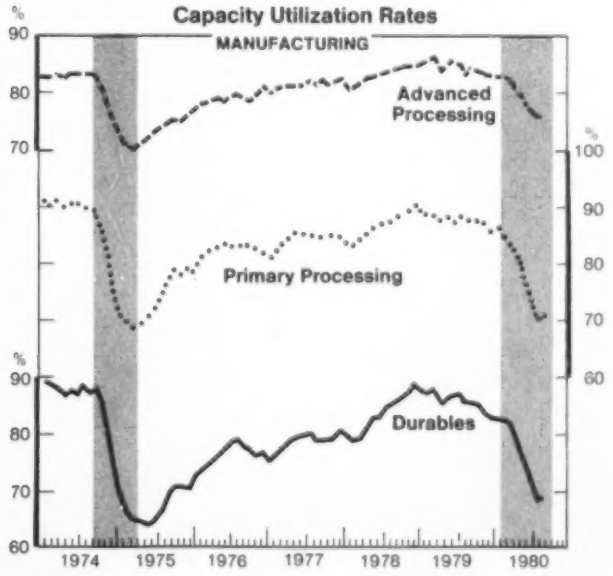
Cost of Imported Oil

(Refiners Cost per Barrel)



Key Determinants of Profit Margin, Nonfinancial Corporations





Seasonally Adjusted

ECONOMIC FORECASTS

			U.C.L.A. Business Forecasting Project[2]		Merrill Lynch Economics Inc.[3]		Kent Economic Institute[3]		Michigan Research Seminar in Quantitative Economics[1]	
Date of Forecast			*Sept., 1980*		*Sept., 1980*		*Sept., 1980*		*Aug., 1980*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Current Dollars										
Actual	**1980**	**II**			**$2521.3**	**0.1%**	**$2521.3**	**0.1%**		
Forecast	1980	III	$2551.0	4.2%	2585.9	10.6	2577.9	9.3	$2544.4	3.4%
		IV	2614.4	10.3	2638.7	8.4	2650.5	11.7	2603.2	9.6
	1981	I	2697.6	13.4	2700.9	9.8	2718.5	10.7	2680.7	12.4
		II	2792.2	14.8	2782.9	12.7	2811.9	14.5	2775.5	14.9
		III	2889.9	14.7	2863.1	12.0	2926.0	17.2	2862.4	13.1
		IV	2998.6	15.9	2946.0	12.4	3048.6	17.8	2949.6	12.8
	1982	I	3099.6	14.2	3032.2	11.9	3088.0	5.3	3026.0	10.8
		II	3199.5	13.5	3101.4	9.4	3188.4	13.7		
	1980	Annual	2552.7	7.8	2566.7	8.4	2567.6	8.4	2548.0	7.6
	1981	Annual	2844.6	11.4	2823.7	10.0	2876.2	12.0	2817.1	10.6
Gross National Product Constant (1972) Dollars										
Actual	**1980**	**II**			**$1408.6**	**−9.6%**	**$1408.6**	**−9.6%**		
Forecast	1980	III	$1399.8	−3.1%	1413.2	1.3	1411.7	0.9	$1395.7	−4.2%
		IV	1398.6	−.3	1408.8	−1.2	1419.5	2.2	1396.2	0.2
	1981	I	1406.9	2.4	1416.4	2.2	1427.8	2.4	1405.0	2.5
		II	1422.2	4.4	1434.9	5.3	1440.5	3.6	1421.1	4.7
		III	1438.0	4.5	1451.5	4.7	1455.7	4.3	1433.6	3.6
		IV	1456.0	5.1	1467.6	4.5	1470.3	4.1	1445.6	3.4
	1982	I	1473.8	5.0	1484.1	4.6	1482.5	3.4	1455.9	2.9
		II	1489.2	4.2	1496.2	3.3	1500.4	4.9		
	1980	Annual	1413.5	−1.3	1418.8	−.9	1421.1	−.7	1411.9	−1.4
	1981	Annual	1430.6	1.2	1442.6	1.7	1448.6	1.9	1426.3	1.0
Gross National Product Deflator Index, 1972 = 100										
Actual	**1980**	**II**			**179.0**	**10.7%**	**179.0**	**10.7%**		
Forecast	1980	III	182.2	7.6%	183.0	9.2	182.6	8.3	182.3	7.9%
		IV	186.9	10.7	187.3	9.8	186.7	9.3	186.4	9.4
	1981	I	191.7	10.7	190.7	7.4	190.4	8.1	190.8	9.7
		II	196.3	9.9	193.9	7.0	195.2	10.5	195.3	9.8
		III	201.0	9.8	197.3	7.0	201.0	12.4	199.7	9.2
		IV	205.9	10.3	200.9	7.5	207.3	13.2	204.0	9.1
	1982	I	210.3	8.8	204.3	7.0	206.3	1.8	207.8	7.7
		II	214.8	8.9	207.3	5.9	212.5	8.3		
	1980	Annual	180.6	9.1	180.9	9.3	180.7	9.2	180.5	9.1
	1981	Annual	198.8	10.1	195.7	8.2	196.6	9.9	197.5	9.4
Unemployment Rate										
Actual	**1980**	**II**	**7.5%**		**7.5%**		**7.5%**		**7.5%**	
Forecast	1980	III	7.8		7.6		7.6		8.2	
		IV	8.2		8.3		7.8		8.9	
	1981	I	8.0		8.4		7.8		9.2	
		II	7.8		8.3		7.4		9.2	
		III	7.7		8.1		7.1		9.0	
		IV	7.6		8.0		6.9		8.8	
	1982	I	7.5		7.8		6.8		8.6	
		II	7.5		7.7		6.4			
	1980	Annual	7.4		7.4		7.3		7.7	
	1981	Annual	7.8		8.2		7.3		9.0	

Notes: Percentage change represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.

[1]Based on preliminary second quarter data.

[2]Based on revised (1st revision) second quarter data.

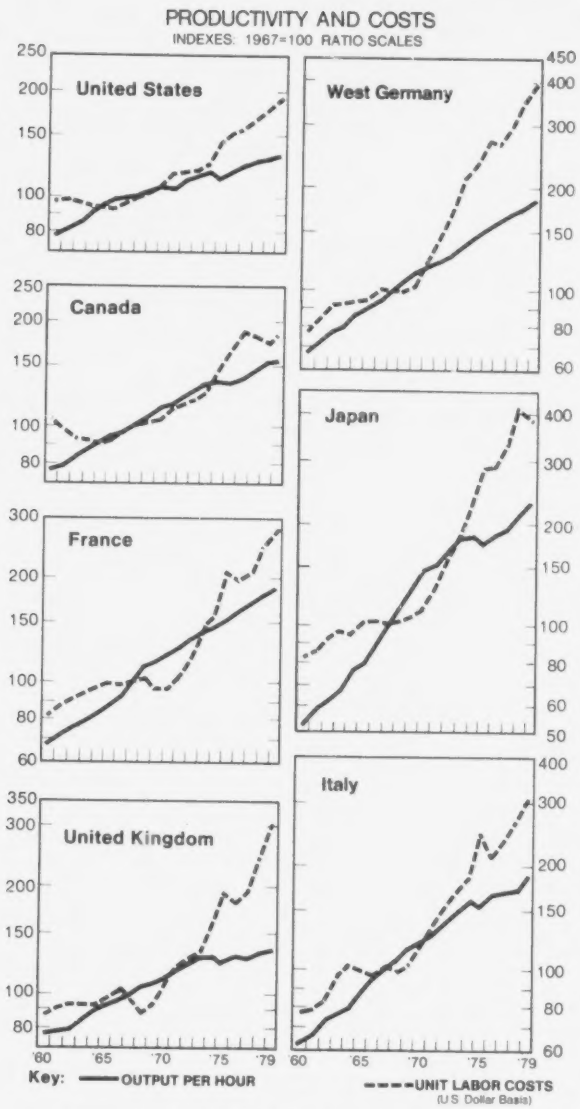
[3]Based on revised (2nd revision) second quarter data.

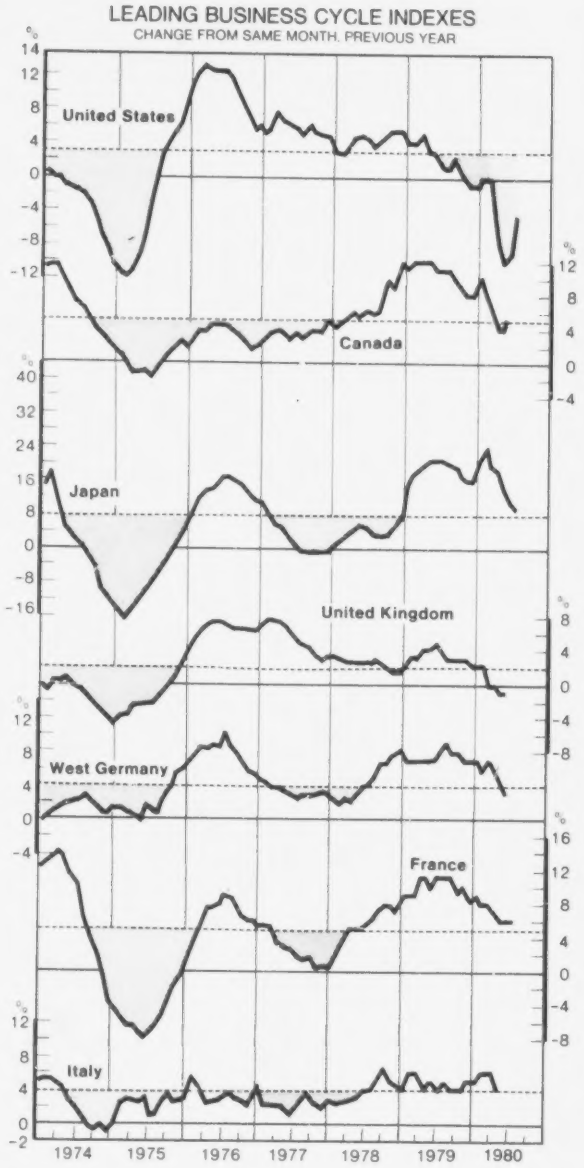
ECONOMIC FORECASTS (continued)

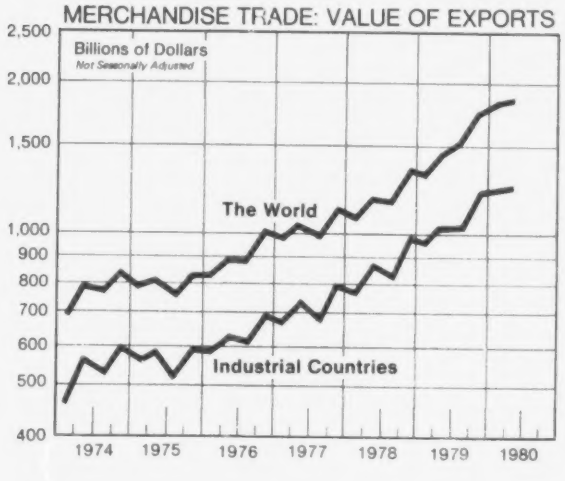
The Conference Board[1]		Chase Econometric Associates, Inc.[2]		Data Resources Inc.[3]		Wharton E.F.A. Inc.[4]				
Sept., 1980		Sept., 1980		Sept., 1980		Sept., 1980				
Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*			
								Gross National Product Current Dollars		
$2521.3	**0.1%**	**$2521.3**	**0.1%**	**$2521.3**	**0.1%**	**$2521.3**	**0.1%**	**II**	**1980**	**Actual**
2571.0	8.1	2561.4	6.5	2584.8	10.5	2567.8	7.6	III	1980	Forecast
2640.0	11.2	2612.9	8.3	2659.6	12.1	2642.3	12.1	IV		
2721.0	12.8	2684.5	11.4	2736.2	12.0	2738.4	15.4	I	1981	
2776.0	8.3	2769.7	13.3	2817.0	12.3	2814.2	11.5	II		
2848.0	10.8	2852.8	12.6	2908.5	13.6	2890.6	11.3	III		
2938.0	13.3	2941.8	13.1	3005.4	14.0	2968.7	11.3	IV		
		3032.6	12.9	3099.6	13.1	3053.4	11.9	I	1982	
		3124.7	12.7	3201.1	13.8	3134.7	11.1	II		
2563.3	8.2	2554.1	7.8	2571.6	8.6	2562.9	8.2	Annual	1980	
2820.7	10.0	2812.2	10.1	2866.8	11.5	2853.0	11.3	Annual	1981	
								Gross National Product Constant (1972) Dollars		
$1408.6	**—10.4%**	**$1408.6**	**—9.6%**	**$1408.6**	**—9.6%**	**$1408.6**	**—9.6%**	**II**	**1980**	**Actual**
1404.2	—1.2	1405.7	—.8	1410.7	0.6	1407.8	—.2	III	1980	Forecast
1409.5	1.5	1401.1	—1.3	1416.3	1.6	1414.0	1.8	IV		
1421.8	3.5	1406.5	1.6	1424.1	2.2	1431.0	4.9	I	1981	
1421.9	0.0	1416.4	2.8	1438.2	2.9	1440.7	2.7	II		
1428.8	2.0	1429.9	3.9	1448.7	4.1	1450.8	2.8	III		
1443.0	4.0	1444.1	4.0	1459.9	3.1	1458.7	2.2	IV		
		1457.8	3.8	1471.0	3.1	1471.7	3.6	I	1982	
		1468.9	3.1	1484.6	3.7	1484.5	3.5	II		
1417.5	—1.0	1415.0	—1.2	1420.1	—.8	1418.8	—.9	Annual	1980	
1428.9	0.8	1424.2	0.7	1441.7	1.5	1445.3	1.9	Annual	1981	
								Gross National Product Deflator Index, 1972 = 100		
179.0	**11.7%**	**179.0**	**10.7%**	**179.0**	**10.7%**	**179.0**	**10.7%**	**II**	**1980**	**Actual**
183.1	9.5	182.2	7.4	183.2	9.8	182.4	7.8	III	1980	Forecast
187.3	9.5	186.5	9.7	187.8	10.3	186.9	10.2	IV		
191.4	9.0	190.9	9.7	192.1	9.6	191.4	10.0	I	1981	
195.2	8.3	195.5	10.2	196.4	9.2	195.3	8.6	II		
199.3	8.7	199.5	8.4	200.8	9.2	199.2	8.2	III		
203.6	8.9	203.7	8.7	205.9	10.5	203.5	8.9	IV		
		208.0	8.7	210.7	9.8	207.5	8.0	I	1982	
		212.7	9.3	215.6	9.6	211.2	7.3	II		
180.8	9.3	180.5	9.1	181.1	9.4	180.6	9.2	Annual	1980	
197.4	9.2	197.5	9.4	198.8	9.8	197.4	9.3	Annual	1981	
								Unemployment Rate		
7.5%		**7.5%**		**7.5%**		**7.5%**		**II**	**1980**	**Actual**
7.7		7.8		7.7		7.8		III	1980	Forecast
7.7		8.3		7.8		8.1		IV		
7.4		8.4		7.7		8.0		I	1981	
7.9		8.4		7.6		8.0		II		
7.8		8.3		7.5		7.9		III		
7.4		8.3		7.3		7.8		IV		
		8.2		7.2		7.8		I	1982	
		8.1		7.1		7.6		II		
7.2		7.4		7.3		7.4		Annual	1980	
7.6		8.3		7.5		7.9		Annual	1981	

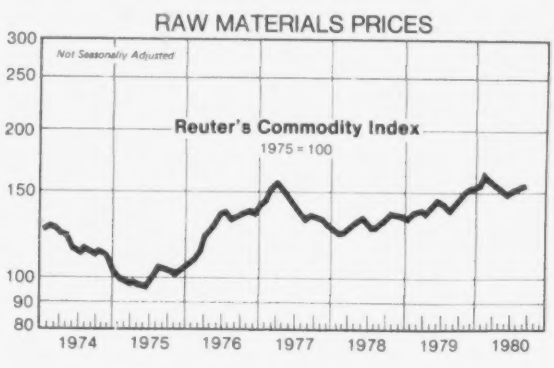
Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein or Ken Goldstein at (212) 759-0900.

SELECTED INTERNATIONAL COMPARISONS

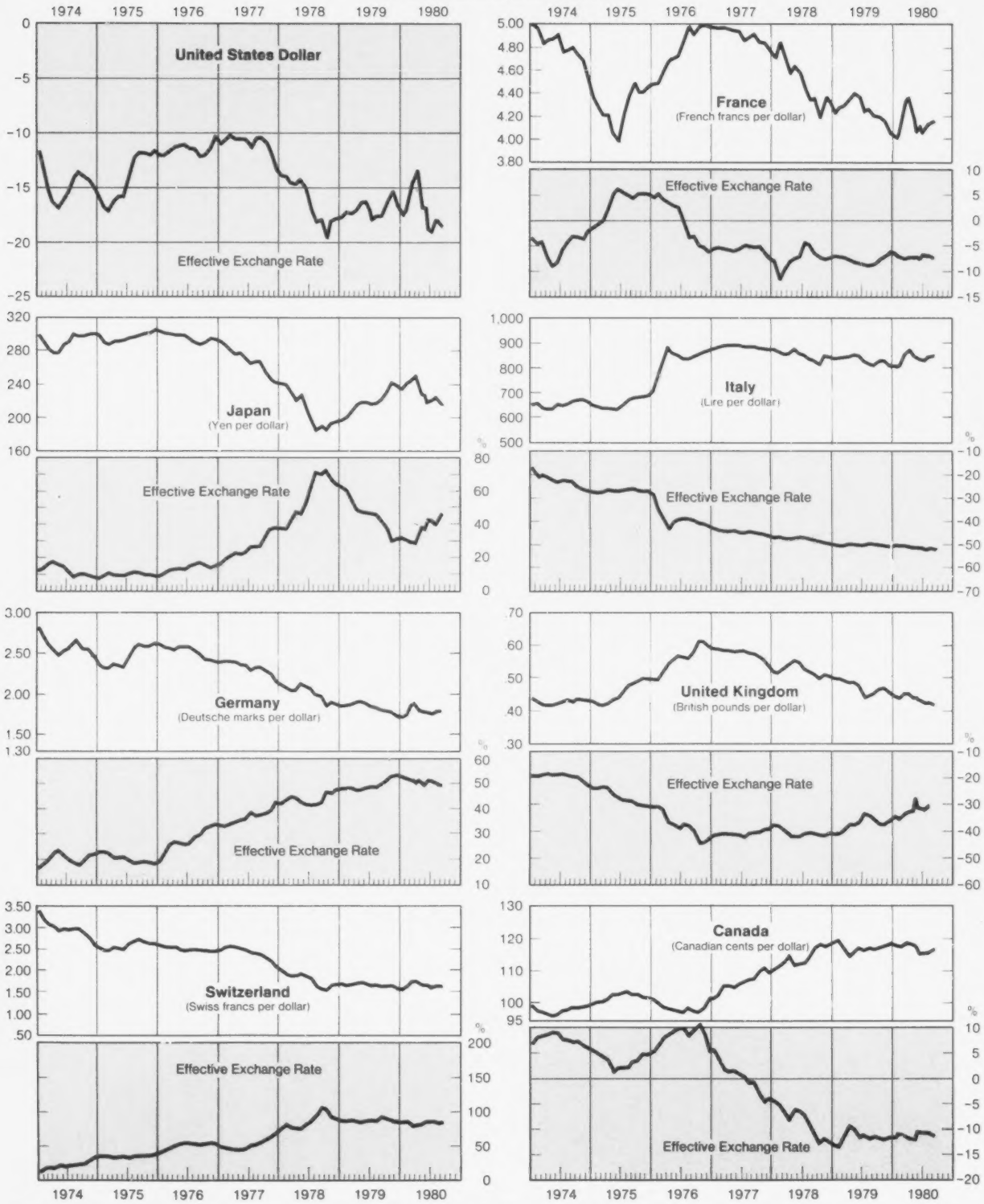








FOREIGN EXCHANGE RATES



Effective Exchange Rate for each country indicates changes vis-a-vis a group of 15 major currencies weighted according to the average bilateral manufactures trade of 1976; changes are in percent from pre-June 1970 parities, based on monthly averages of daily rates.

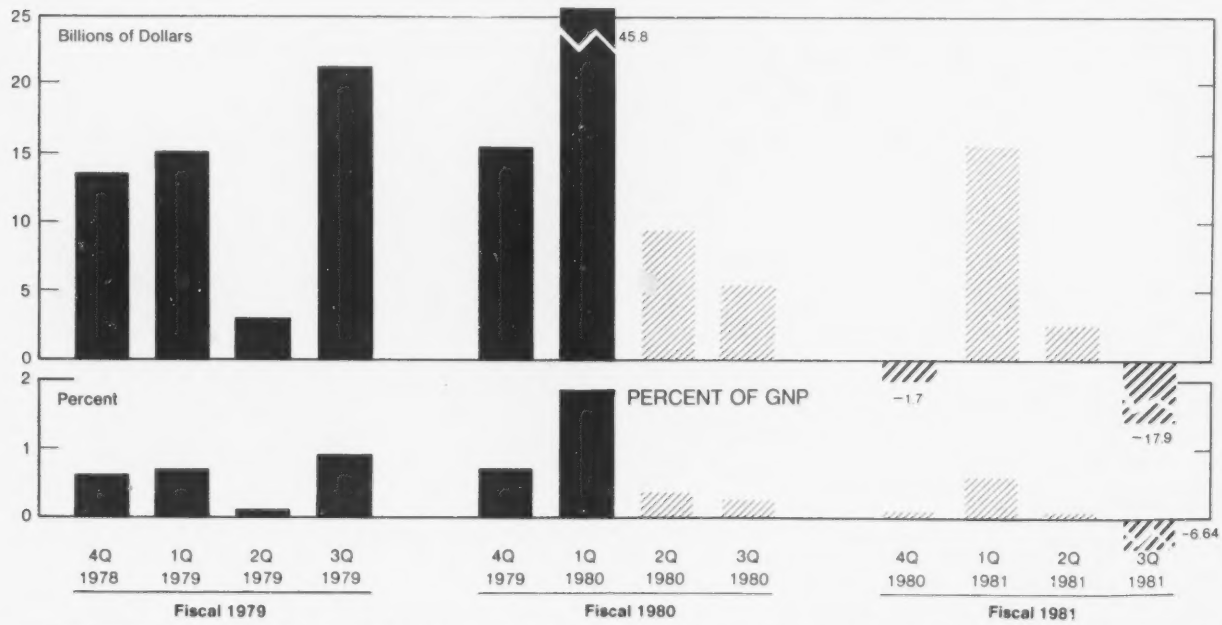
Source: Morgan Guaranty Trust

PERSPECTIVE ON THE FEDERAL BUDGET
($ Billions)

	Fiscal 1980			Fiscal 1981		
	Current Services (1/22/79)	Latest President's Proposal (7/21/80)	Third Budget Resolution (6/12/80)	Current Services (1/28/80)	Latest President's Proposal (7/21/80)	First Budget Resolution (6/12/80)
Receipts	**$504.5**	**$517.9**	**525.7**	**579.0**	**604.0**	**613.8**
Outlays	**536.1**	**578.8**	**572.5**	**612.0**	**633.8**	**613.6**
Deficit	**−31.6**	**−60.9**	**−47.0**	**−33.0**	**−29.8**	**+0.2**
Receipts by source	504.5	517.9	525.7	579.0	604.0	613.8
Individual income taxes	229.6	240.7	241.0	273.3	278.2	283.1
Corporate income taxes	71.0	65.5	71.4	74.7	66.4	67.6
Social insurance	161.2	160.5	163.5	186.0	184.5	189.9
Other receipts	42.7	51.2	49.8	45.0	74.9	74.2
Outlays by function	**536.1**	**578.8**	**572.5**	**612.0**	**633.8**	**613.6**
Income security	179.5	193.5	191.7	219.9	230.4	219.6
National defense	125.5	135.6	135.7	142.4	157.5	153.7
Health	55.1	56.9	56.5	63.4	63.4	61.7
Education and manpower	31.0	29.9	29.9	32.5	30.9	29.5
Veterans' benefits	20.4	20.9	20.5	21.7	21.8	21.2
Transportation	18.0	20.8	20.1	20.1	19.2	18.8
Natural resources and environment	11.8	13.7	13.6	12.8	13.1	12.1
Revenue sharing	9.2	8.6	8.6	8.5	7.3	6.8
International affairs	7.9	10.9	10.5	9.6	10.3	9.5
Community development	7.2	9.5	9.7	8.5	9.3	9.2
Energy	8.0	6.5	6.4	7.1	7.2	6.8
General science	5.4	5.7	5.9	6.3	6.2	6.1
General government	4.2	5.0	4.4	4.9	4.7	4.3
Justice	4.3	4.6	4.4	4.7	4.6	4.6
Agriculture	5.0	5.8	5.9	3.2	2.2	2.3
Commerce and housing credit	3.4	8.3	6.1	0.8	0.7	0.0
Interest	57.1	64.3	65.1	68.4	67.6	72.2
Allowances	2.1	—	0.0	2.4	1.4	0.0
Undistributed offsetting receipts	−19.0	−21.9	−22.3	−25.1	−24.0	−24.7

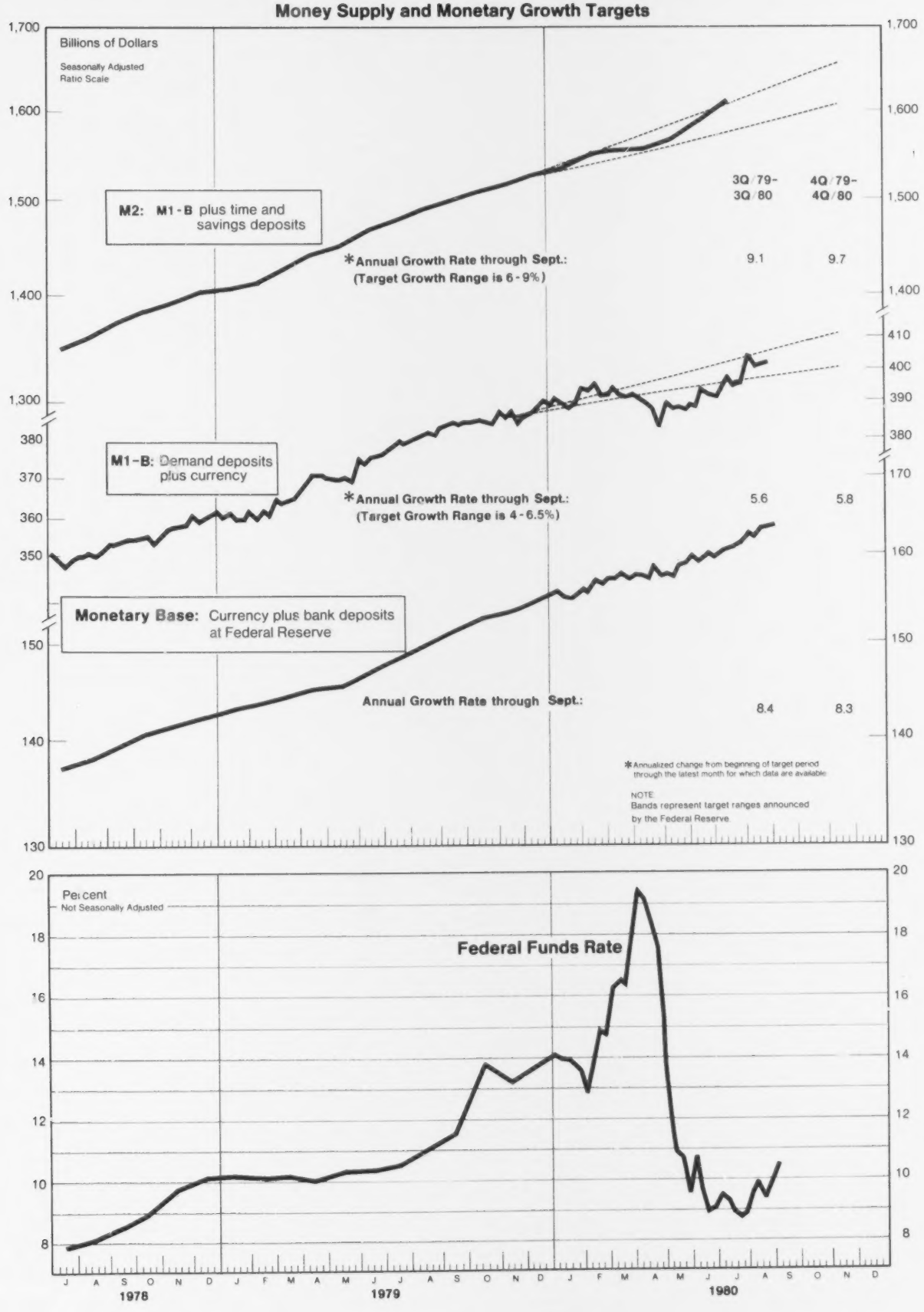
Sources: Office of Management and Budget; Congressional Budget Office.

Fiscal Thrust



Note: The Conference Board has developed estimates of fiscal thrust which measure the initial economic impact of the budget which then results in subsequent rounds of spending associated with the "multiplier effect" within the private sector of the economy. For more complete descriptions, see Michael Levy, *The Federal Budget: Its Impact on the Economy*: Fiscal 1977, No. 2, The Conference Board, New York, 1976.

Money Supply and Monetary Growth Targets



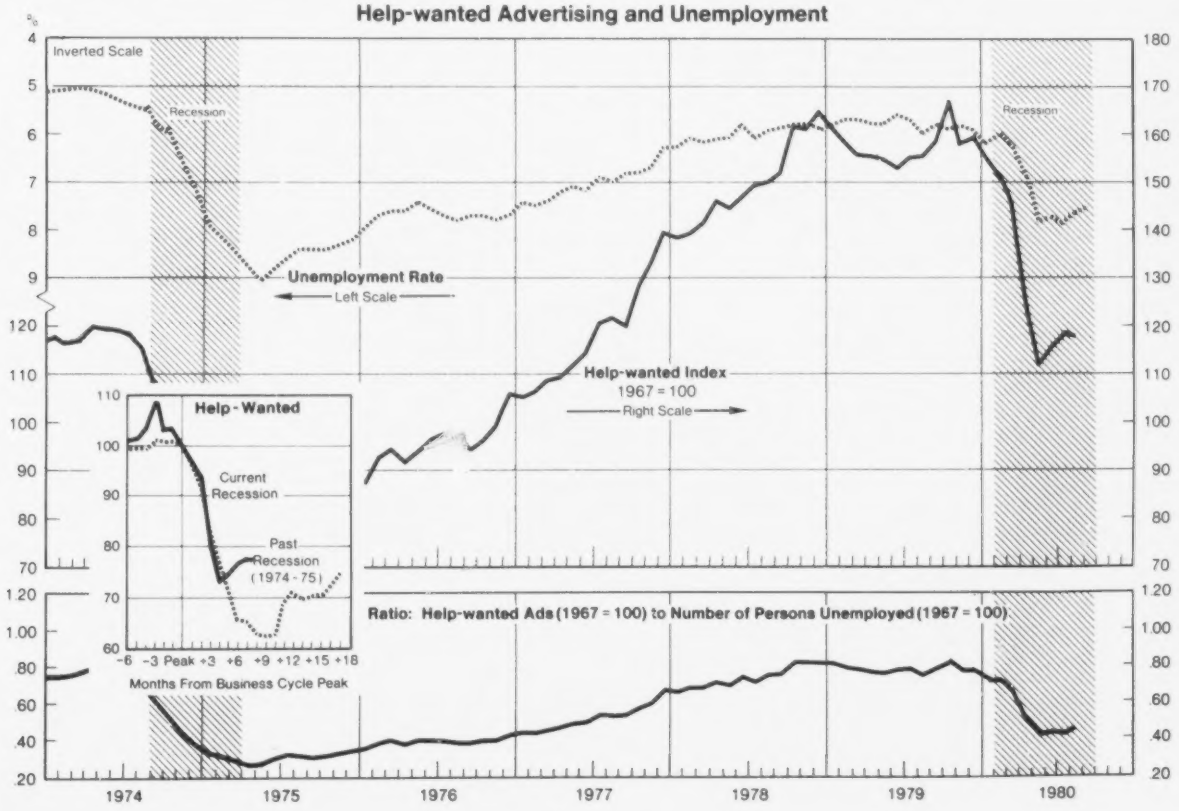
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEXES

Seasonally Adjusted Indexes, 1967 = 100

	1980			1979
	Aug.	July	June	Aug.
Total Index 51 papers	118	118	115	155
New England	116	118	115	137
Boston	123	128	125	141
Hartford	138	126	125	163
Providence	75	77	74	99
Middle Atlantic	60	64	61	72
Albany	83	89	85	104
Allentown	106	148	110	158
New York	54	57	56	60
Philadelphia	57	60	57	68
Pittsburgh	73	73	69	102
Rochester	59	62	55	75
Syracuse	75	79	81	90
East North Central	69	69	70	118
Chicago	68	68	69	116
Cincinnati	106	106	108	170
Cleveland	62	62	64	111
Columbus	97	101	105	154
Dayton	65	60	67	95
Detroit	49	49	47	86
Gary	95	103	105	192
Indianapolis	73	73	78	137
Milwaukee	63	64	59	119
Toledo	92	83	86	139
West North Central	77	74	78	126
Kansas City	94	99	101	150
Minneapolis	81	77	80	150
Omaha	105	99	100	174
St. Louis	54	52	56	75
South Atlantic	129	129	127	154
Atlanta	176	184	182	219
Baltimore	84	87	88	117
Charlotte	111	103	104	136
Jacksonville	124	127	117	128
Miami	141	135	129	164
Richmond	81	68	87	104
Washington, D. C.	135	138	133	156
East South Central	111	115	110	158
Birmingham	126	123	125	168
Knoxville	193	171	175	223
Louisville	66	68	64	106
Memphis	100	98	104	129
Nashville	115	152	117	203
West South Central	254	259	248	298
Dallas	n.a.	218	214	258
Houston	377	384	365	431
New Orleans	178	185	169	210
Oklahoma City	204	201	189	241
San Antonio	165	169	163	186
Tulsa	199	213	204	255
Mountain	250	246	242	384
Denver	214	217	206	322
Phoenix	283	271	287	420
Salt Lake City	n.a.	267	250	453
Pacific	183	177	172	222
Los Angeles	160	154	154	190
Sacramento	257	247	233	309
San Bernardino	133	125	116	176
San Diego	296	296	274	372
San Francisco	187	181	174	216
Seattle	197	187	184	264
Percentage of papers with rising volume	41%	59%	65%	45%
Unemployment rate	7.6%	7.8%	7.7%	6.0%

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
n.a.—not available r—revised

Help-wanted Advertising and Unemployment



CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND BUYING PLANS

Indexes, 1969-1970 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1978	105.2	103.8	97.3	96.9	88.8	92.5	88.8	91.4	95.4	101.4	91.8	94.0
1979	91.7	91.4	84.9	82.2	80.8	76.5	70.0	69.0	78.2	83.6	83.0	80.8
1980	79.1	76.4	71.5	52.9	42.1	48.6	59.4	66.4r	75.8p			

Buying Plans Index

1978	134.3	120.7	124.3	109.5	97.1	121.7	91.2	104.0	104.2	116.9	106.4	103.1
1979	95.1	115.4	114.4	100.6	95.4	99.6	94.6	101.7	119.4	121.9	113.4	107.2
1980	99.2	107.0	116.4	85.3	76.2	89.9	90.2	85.7r	97.2p			

Confidence Index measures consumer optimism in appraising economic conditions. Buying Plans Index is based on intentions to purchase cars, homes, appliances. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r—revised

CONFERENCE BOARD ESTIMATES OF DISCRETIONARY PURCHASING POWER AND SPENDING

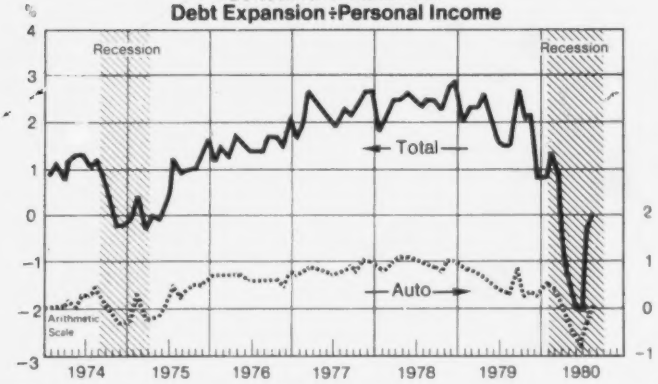
Billions of Dollars; Quarterly Data are Seasonally Adjusted at Annual Rates

		Aggregate Purchasing Power	Discretionary Purchasing Power	Discretionary Saving	Discretionary Spending	Discretionary Purchasing Power as % of Aggregate	Discretionary Spending as % of Aggregate	Discretionary Spending as % of Discretionary Purchasing Power
1975	I	$1075.2	$399.5	$ 67.5	$332.0	37.2%	30.9%	83.1%
	II	1155.6	469.7	125.2	344.5	40.6	29.8	73.3
	III	1160.5	453.4	125.8	327.6	39.1	28.2	72.3
	IV	1220.9	485.4	118.8	366.6	39.8	30.0	75.5
1976	I	1258.3	499.9	133.5	366.4	39.7	29.1	73.3
	II	1288.1	507.0	120.3	386.7	39.4	30.0	76.3
	III	1308.4	514.5	125.5	389.0	39.3	29.7	75.6
	IV	1343.4	533.7	118.2	415.5	39.7	30.9	77.9
1977	I	1394.3	560.4	139.4	421.0	40.2	30.2	75.1
	IIr	1432.2	583.3	143.2	440.1	40.7	30.7	75.4
	IIIr	1520.5	602.0	171.0	431.0	39.6	28.3	71.6
	IVr	1526.1	624.9	146.1	478.8	40.9	31.4	76.6
1978	Ir	1559.9	648.3	141.4	506.9	41.6	32.5	78.2
	IIr	1633.1	680.8	176.8	504.0	41.7	30.9	74.0
	IIIr	1672.4	693.1	184.2	508.9	41.4	30.4	73.4
	IVr	1701.4	690.9	150.3	540.6	40.6	31.8	78.2
1979	Ip	1746.1	712.2	149.5	562.7	40.8	32.2	79.0

Note: For an explanation of discretionary purchasing power and spending, see Morton Ehrlich, *Discretionary Spending*, (The Conference Board, 1966).

P—Preliminary R—Revised

Consumer Installment Debt Expansion÷Personal Income



Retail Sales

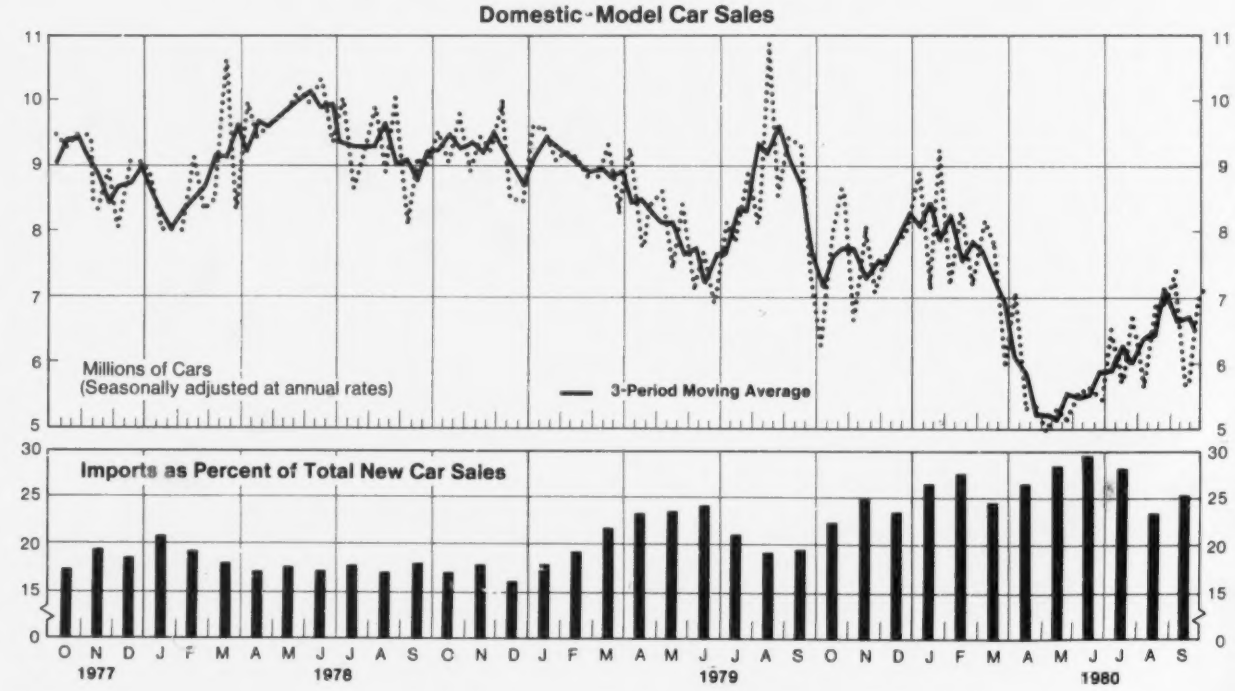
CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1977	1978	1979	1980
January:	1-10	9.25	8.86	9.60	8.97
	11-20	9.51	8.03	9.55	7.19
	21-31	8.68	8.03	9.11	9.23
February:	1-10	9.83	8.00	9.20	7.28
	11-20	8.20	9.45	9.13	8.28
	21-28(29)	9.10	8.35	8.82	7.20
March:	1-10	9.86	8.49	8.83	8.11
	11-20	7.81	10.62	9.32	7.84
	21-31	9.69	8.32	8.29	5.98
April:	1-10	7.88	9.96	9.28	7.05
	11-20	9.25	9.44	7.79	5.27
	21-30	9.00	9.64	8.48	5.38
May:	1-10	9.21	9.72	8.52	4.95
	11-20	8.84	9.85	7.41	5.28
	21-31	9.04	10.22	8.41	5.15
June:	1-10	9.75	9.94	6.98	5.57
	11-20	9.31	10.38	7.59	5.60
	21-30	9.60	9.36	6.83	5.41
July:	1-10	9.25	10.04	8.08	6.54
	11-20	8.30	8.69	7.79	5.67
	21-31	9.18	9.15	8.83	6.71
August:	1-10	9.26	9.89	8.08	5.63
	11-20	9.38	8.89	10.76	6.85
	21-31	9.62	10.07	8.47	6.92
September:	1-10	9.60	8.14	9.44	7.41
	11-20	9.14	9.07	9.34	5.64
	21-30	8.31	9.02	7.26	6.98
October:	1-10	9.45	9.57	6.24	7.06
	11-20	9.31	9.08	8.04	
	21-31	9.50	9.82	8.64	
November:	1-10	9.46	8.92	6.65	
	11-20	8.34	9.44	8.07	
	21-30	8.91	9.24	7.08	
December:	1-10	8.06	10.00	7.63	
	11-20	9.07	8.57	7.83	
	21-31	9.07	8.41	8.06	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically). Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board.

Domestic-Model Car Sales


Millions of Cars
(Seasonally adjusted at annual rates)
3-Period Moving Average
Imports as Percent of Total New Car Sales
O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S
1977
1978
1979
1980